



PARAMOUNT SYNTEX LIMITED

Policy on Credit Recovery Policy

1. General requirements

The Company will take all reasonable measures to vigorously collect credit given as part of its business operations. A credit will be written off only after all reasonable measures (commensurate with the size and nature of the credit) have been taken to recover it.

In general payment for all goods and services supplied by the Company should be collected in advance or at least within 45 days upon receipt of an invoice.

2. Acceptable 'credit period'

The Board determines that the length of time they deem to be acceptable 'credit settlement period' is 45 days from the date of the invoice before the credit recovery procedures are applied.

3. Reporting of outstanding credit levels

The Chief Financial Officer will ensure that the level of outstanding credit is regularly monitored. Suitable records will be maintained to detail individual credits and the total value of credit to the Company in order that it can be determined at any time and reported to the Audit Committee.

The *Audit Committee* will review the level of outstanding credits annually to determine whether this level is acceptable and whether action to recover credit is effective. -

4. Credit Recovery Procedures

Where payment from the debtor has not been received in advance, or within the 45 days the following process should be applied.

- (a) An initial oral reminder may be informal and can be made either in person, or by telephone.
- (b) a reminder letter, within 7 days of the initial oral reminder, sent to debtors with options for contacting the Company if they are in financial difficulty, would like a longer amount of time to pay the debt and offering any other help/advice in the strictest of confidence
- (c) a 2nd reminder letter asking for payment within 14 days reiterating the above
- (d) a 3rd letter offering the above once (within 7 days) more but if they do not get in touch, the credit recovery procedure will mean that the Company will have to put a legal notice to the suitable authority for full recovery of the debt to the Company.

5. Written Reminders

5.1 Details of all reminders, will be maintained in Company office where books of accounts are to be maintained. Where a letter is issued, a copy must be retained on file and all letters should be clearly dated.

Should a debt need to be taken beyond three reminder letters, formal written evidence may have to be produced.

It is therefore important that at least one, but preferably two, written reminders are sent.

5.2 Initial 'overdue payment' reminder

An initial reminder may be informal and can be made either in person or by telephone.

In general, the *Chief Financial Officer* will notify the debtor.

The date of the initial reminder should be recorded.

5.3 First 'overdue payment' reminder letter

A formal reminder letter should be issued 2 weeks after the informal reminder.

If action is to proceed further, it is necessary to prove that all reasonable attempts have been made to recover the debt, and that these attempts have been made in a timely manner, i.e. at the time that the debt first became overdue.

5.4 Second 'overdue payment' reminder letter

A second reminder letter will be issued 2 weeks after the First Reminder Letter.

6. Failure to respond to reminders / settle a debt

At the discretion of the *Audit Committee/Board of Directors/Chief Financial Officer* the debtor may be advised that they will be required to pay in advance for all future supplies or the supply will no longer be available to them.

This decision and its basis will be recorded and reported to the *Audit Committee/Board of Directors/Chief Financial Officer*.

7. Negotiation of repayment terms

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder.

If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the Chief Financial Officer.

A record of all such agreements entered into will be retained.

In all cases, a letter will be issued to the debtor confirming the agreed terms for repayment.

The settlement period should be the shortest that is judged reasonable.

8. Costs of debt recovery

Where the Company incurs material additional costs in recovering a debt then the Chief Financial Officer will decide whether to seek to recover such costs from the debtor.

The debtor will be formally advised in writing that they will be required to pay the additional costs incurred by the Trust in recovering the debt.

This decision and its basis will be recorded and reported to the *Audit Committee/Board of Directors/Chief Financial Officer*.

9. Policy Review

This policy will be reviewed every 3 years by the Audit Committee and reported to the Board of Directors.

DISSEMINATION OF THE POLICY

The policy shall be hosted on the website of the Company i.e. <https://paramountsyntax.com/>

Effective Date: 23rd October, 2024

Date of Approval by Board of Directors: 23rd October, 2024